

DATE: MARCH 15, 2004

TO: ALL INTERESTED PARTIES

**RE: FOOD, BEVERAGE AND RETAIL
CONCESSION CONTRACTS**

ADDENDUM NO. 9

**RFP PROCESS, INSTRUCTIONS AND
CONTRACT PROVISIONS
RFP Volume I**

Attached hereto and incorporated herein is a revision regarding the RFP Schedule and a notice regarding proposal evaluations.

All other RFP terms and conditions remain unchanged. All successful proposers for the revised service segments will be required to acknowledge receipt of this Addendum prior to Contract award. All RFP Addenda will become a part of the Contracts.

Sincerely,

Tim McGuigan
Director, Legal Services and Contracts

Attachment

ATTACHMENT TO ADDENDUM NO. 9

RFP PROCESS, INSTRUCTIONS AND CONTRACT PROVISIONS RFP Volume I

RFP SCHEDULE

Segments 1, 2 and 3

The RFP Schedule for segments 1, 2 and 3 has been revised to accommodate the schedule revisions described below. A revised RFP Schedule is attached hereto and incorporated herein. The revised Schedule supersedes and replaces the previously issued RFP Schedule as it pertains to segments 1, 2 and 3.

PROPOSAL EVALUATION

Segments 1, 2 and 3

WSF is continuing with final proposal evaluations for the following Segments:

1. Segment 1 (On-board Food, Beverage and Retail) for one or more vessels;
2. Segment 2 (On-shore Food and Beverage) for Colman Dock – Pier 52 only; and
3. Segment 3 (News, Books and Convenience Stores) for Colman Dock – Pier 52 only.

After completion of the above evaluations, WSF will commence initial proposal evaluations for the Segment 2 and 3 services at terminals other than Colman Dock – Pier 52.

LABOR ISSUE

The Inland Boatmen's Union of the Pacific (IBU) has filed two (2) Unfair Labor Practices (ULPs) against WSF regarding the labor provisions in the Food, Beverage and Retail RFP, summarized as follows:

1. The first ULP resulted in a ruling by the Marine Employees Commission (MEC), dated December 8, 2003, that expressly limited the scope of collective bargaining jurisdiction under the Food, Beverage and Retail RFP to the Segment 1 services (On-board Food, Beverage and Retail). In response to the ruling, WSF issued RFP Addendum No. 5 inserting new text regarding collective bargaining jurisdiction for the Segment 1 services. WSF is also appealing the MEC ruling.

2. The second ULP concerns WSF's interpretation of the first MEC ruling (see above). It is WSF's position that the scope of such ruling is expressly limited to the Segment 1 services (On-board Food, Beverage and Retail). The IBU asserts broader collective bargaining jurisdiction under the ruling. WSF intends to vigorously defend against the second ULP and believes it is without merit.

WSF intends to proceed with proposal evaluations for Segments 1, 2 and 3, recognizing that the time to resolve the labor issue may cause some adjustment in the RFP Schedule. Therefore, certain event dates in the attached, revised RFP Schedule have been marked "TBD" in the date column pending resolution of the second ULP.

Accordingly, WSF will proceed with final proposal evaluations, and will issue a second set of questions to some or all of the proposers for the Segment 1, 2 and 3 services specified above. Upon completion of the final proposal evaluations, WSF will issue Selection Notices to the apparent successful proposers and Non-Selection Notices to the unsuccessful proposers. At that time, WSF will commence final discussions with the apparent successful proposers to "perfect" the proposals, as provided in the RFP Proposal Evaluation document, Exhibit A, Section 6. WSF may also extend the period for issuing the Award Notices depending on the status of the ULP resolution.

Upon completion of the above final evaluations, WSF will commence initial evaluation of proposals for the Segment 2 and 3 services at terminals other than Colman Dock – Pier 52. The schedule for such proposal evaluations may also be affected by the ULP resolution.

In conclusion, WSF desires to maintain a competitive proposal process. WSF will keep all proposers informed of any new information regarding these matters via RFP Addenda and Notices as soon as the information is available.

(END)